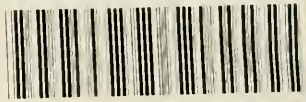


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A Journey to Alaska.

BY

HENRY VILLARD.

[Reprinted from "The New York Evening Post."]



THE following pages contain a record of what I saw and learned on a journey in last July and August, from Minnesota to Puget Sound and thence to Alaska, and after my return from the North, through Western and Eastern Oregon. My impressions were first published in weekly articles in "The New York Evening Post," and are reprinted herein from its columns.

HENRY VILLARD.

New York, December, 1899.



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ST. PAUL AND MINNEAPOLIS.

My last trip over the Northern Pacific Road previous to the one taken in July and August this summer occurred in the fall of 1891. The fatal silver-purchasing act of 1890, the so-called Sherman law, had then been in operation over a year, and the signs of the mischief it was working were already evident in different directions, but not heeded by the public of the Northwest. At that time, by request, I addressed commercial bodies at St. Paul, Portland, and other places, which I emphatically warned of the storm that was sure to burst sooner or later, and urged them to get out of debt, abstain from all speculative ventures, and put their houses in order generally. The advice was not taken, and the local papers contained only sneering criticisms of my warnings.

The predicted crash came in 1893, and wrought probably more havoc in the States traversed by the Northern Pacific and Great Northern Railroads than in any other part of the country. Recovery from its ravages had hardly begun when the disorders of 1896 brought additional trouble to that region.

My visit to these States in the past summer began with a stay in the twin cities of St Paul and Minneapolis. They suffered as severely by the two panics as any of the larger cities west of the Alleghanies. The wreck of their most trusted banking institutions swept away a large portion of the accumulated local wealth and brought great distress to all classes. Commercial and industrial stagnation followed, and real estate of every kind depreciated to a degree that but a year before would have been considered beyond the range of possibility. The extent of the disturbance and the shock to the confidence of the local public by the incompetency and unfaithfulness of

some of the most trusted citizens as demonstrated in the bank failures also helped to make recuperation painful and slow.

But this year I found unmistakable symptoms of returning vitality. The railroad and bank presidents and the merchants and manufacturers I met all bore testimony to the revival of business. None claimed that the former prosperity had already come back, and some admitted that their two cities had as yet been less benefited than other places by the rising tide of prosperity throughout the country at large. But they agreed that there was a noticeable increase in general trade, and felt confident that it would steadily assume larger proportions. Still there are not a few unoccupied business places to be seen, and the rents continue to be very low. In riding over the street railroads in open cars I observed, however, only a few unoccupied dwellings, and a considerable number of new ones under construction, the latter fact being especially noteworthy, as there was almost an absolute cessation of all building activity for five years.

Another certain indication of the improvement in the material condition of the population is the constant increase for more than a year past of the earnings of the electric street-railway system of the two cities. This system is under one management, and one of the most extensive and best conducted in the United States. It is the only one of so large a mileage operated exclusively by electricity, in this case produced by water power from the falls of the Mississippi. The several inter-urban trolley lines have practically absorbed the passenger traffic between the two cities which was done formerly by the local trains of the three great railroads terminating in them. Most of these trains have been withdrawn for want of patronage, and the losses to the respective railroad companies from this triumph of electricity over steam amount to hundreds of thousands of dollars a year. This is of course but a repetition of the experience in all the cities of the United States where similar competitive conditions exist.

The founding of St. Paul dates back half a century, and that of Minneapolis about forty years. Their growth was rapid and almost apace until the eighties, when the latter

gained on the former in population to the extent of about 20 per cent. There were, no doubt, considerably more than three hundred thousand people living within their limits when the tribulations of 1893 came upon them. That the population then came to a standstill is not readily admitted by the residents, but doubtless it did, and continued about stationary up to 1898. I even heard it stated that St. Paul has suffered a loss in inhabitants. The material regeneration now in progress has naturally led to expectations of new gains, and, as a means to that end, hopes and wishes for the enlargement of the local industries are again uttered in the press and by the public.

Owing to its convenient and cheap water power, Minneapolis has enjoyed for more than a quarter of a century the benefits of the steady growth to large proportions of two important industries, the flour and saw mills. This gave it a considerable advantage over St. Paul, where only relatively small manufactures with a limited market have grown up. But St. Paul far outstripped its rival in building up an extensive wholesale trade. In both cities more or less successful efforts were made time and again to start additional manufacturing enterprises, but it is doubtful whether more money has not been lost than gained in such undertakings. In spite of past disappointments, new experiments in the same direction are likely to be tried. It is not probable, however, that they will be more successful than the preceding ones, because the adverse circumstances which produced failure heretofore still exist. Minnesota and Wisconsin being destitute of coal, cheap fuel is not within reach, and there is little unused power in the Mississippi falls. The great distance from the sources of raw materials as compared with other manufacturing centres constitutes another drawback, while the large decrease in the cost of transporting merchandise from the East to the West greatly facilitates the competition of Eastern goods. Still other drawbacks are the absence of the kind of labor capable of adaption to industrial purposes and the prevailing high rate of wages. The most striking proof of this impeding influence of local conditions is afforded by the fact that the millions of tons of iron ore now annually taken

from the Mesaba and Vermilion ranges are not worked up in the State, but in Illinois, Ohio, and Pennsylvania.

Another hindrance, and a more formidable one than any of the others mentioned, is to be found in the evolution of the great Trusts in almost every field of industry. It is naturally more profitable for these monopolizing combinations to supply goods made where the cost of production is least than to make them at greater expense in the West. The recognition of this repressing effect of the Trusts upon industrial development is evidently spreading in the West and explains the rising hostility to them. But one looks in vain for signs of a popular appreciation of the only radical remedy for industrial monopolies, the abolition of the protective tariff, the cause of their existence. Only here and there are single voices heard calling attention to this sure cure. The hope seems, however, well justified that when the injuries to Western communities through the Trusts are distinctly and seriously felt, free trade will have its day.

Some apprehensions were expressed to me by thoughtful men as to the future of the Twin Cities, but I see no real reason to doubt that their progress will be a steady one. Their nearest competitors to the south and east are Milwaukee and Chicago, and the intervening distances are great enough to enable the Twins to secure their share of the trade of the intermediate territory. To the north as far as the Canadian border and as far west as eastern Washington, no other place disputes their supremacy, nor is it ever likely to be disputed from those sides. To the east, the growth of Duluth and Superior, in consequence of the enormous increase of the eastward shipping business in grain and iron ores and the westward traffic in general merchandise and coal, appears to be threatening. But it seems to me that because of the poor soil and the hard climate of the country adjacent to Lake Superior, those two ports, notwithstanding their very great advantages for shipping purposes, are not likely to become great trading and manufacturing points. Moreover, the steady lowering of lake freights, to which their great growth is mainly due, is obviously also a great boon to the merchants of

St. Paul and Minneapolis, as it means for them lower prices on everything drawn from Eastern markets.

Eighteen years ago there were not a few local enthusiasts who believed and proclaimed that each of the Twins would contain 500,000 inhabitants before the close of the century. The present generation, and, perhaps, the next one will probably not see this dream fulfilled. But in addition to the reasons already given, there are two certain guarantees of future advancement. Minnesota is one of the richest of the States in agricultural and other natural resources. Its population, which is assumed to have risen to a million and three-quarters, is remarkable for intelligence and thrift. In Minnesota and North Dakota, too, there is a happy change from the former exclusive culture of wheat to diversified farming, which constantly increases the earnings and consuming power of the inhabitants. Their increasing prosperity is bound to react stimulatingly upon the two cities.

Again, there is the important fact that Minneapolis and St. Paul together form one of the greatest railroad centres in the country, and as such one of the greatest receiving and distributing points. Seven systems of roads, including the very large ones of the Chicago, Milwaukee and St. Paul, the Northern Pacific and Great Northern Companies, and aggregating 20,000 miles of road, have termini within their limits. These channels of trade will never cease to strengthen the commerce and industry of the two cities.

NORTH DAKOTA AND MONTANA.

It is regrettable that the west-bound overland trains on both transcontinental lines leave the Twin Cities in the evening and traverse Minnesota at night. For the traveller is deprived thereby of the sight of the lake region of the State, with its constant succession of beautiful sheets of water of varying dimensions and their handsome borders of oak groves. More picturesque and attractive landscapes cannot

be found anywhere. There is a strong resemblance in this respect between Minnesota and lake-dotted Sweden and Norway, which doubtless accounts in a measure for the great number of Scandinavians settled in the State. Many summer sojourners already dwell regularly on the banks of the larger lakes, and the time will certainly come when the whole region will annually swarm with them.

Not quite a quarter of a century has elapsed since the first wheat was grown in the valley of the Red River of the North, whose subsequent regular yield of vast crops has exercised so marked an influence upon agricultural conditions throughout the civilized world. It is, indeed, but a little more than twenty-five years since Gen. William B. Hazen of the United States Army, who had been in command of a military expedition through that territory, reported officially to the government and published in magazine articles his opinion that Dakota was a hopelessly arid land, immigration to which should be discouraged.

It was mainly through the efforts of some of the original Northern Pacific officials and other men of enterprise that the extraordinary capacity of the soil for the production of wheat was demonstrated. They bought great tracts of land on the west side of the Red River, and experimented with the cereal on a large scale. Their properties became known as the bonanza farms, and their fame was spread far and wide. The American and foreign guests of the Northern Pacific on the opening excursion of 1883 were greatly impressed by the spectacle presented by the movement past them of a solid column of twenty-four reapers in full operation in an immense wheat field belonging to the 75,000-acre farm of Oliver Dalrymple, not far west of the Red River. These great farms were, indeed, "bonanzas" for their owners, when "No. 1 hard" brought a dollar a bushel and over, equal to a profit of 100 per cent. and more over the cost of production. But those halcyon days did not last long, and the vast farms no longer exist. The heavy cost of running them and several crop failures led to their being cut up and sold. Their yield is not now, as a rule, as great as it was in the early years, but the Red River valley as a whole still ranks as one of the chief

granaries of the earth. That part of the Dakotas, however, extending from about fifty miles west of the Red River to the so-called Bad Lands west of the Missouri, cannot be said to have gained in reputation as a reliable wheat country. The producers have had as much discouragement as encouragement. The peculiarities of the climate made husbandry a doubtful occupation. There are the uncertain rainfalls, the parching winds of the summer, late cold spells in the spring, early frosts in the fall, and the various insect and other plagues. Hence for ten years before the last three good crop years there was little progress made. The sales of land by the land-grant companies and individual owners declined greatly, and many new farms were abandoned. Particularly west of the James River these evidences of retrogression became noticeable.

It was natural that the towns, villages, and hamlets along the railroad lines, which depend altogether upon the farming population for support, should have undergone stagnation and even decay. Between Fargo on the Red River and Miles City on the Yellowstone, there is not one that has not suffered more or less decline during the period mentioned. Bismarck, the capital of North Dakota, presented the most woe-begone aspect when I last saw it in 1891. At the time I assisted with my guests at the laying of the corner-stone of the State Capitol in 1883, on the opening of the Northern Pacific Road as a through line, the prospects of the town seemed very promising, but it utterly collapsed, and fully half of the buildings were deserted. A considerable revival has now begun. In Jamestown, Mandan, and Dickinson there are also indications of new life, but nowhere does it as yet pulsate so actively as one is led to expect in view of the general prosperity of the Eastern and Middle States. It is asserted, however, both by the officials of the railroad land department and trustworthy residents, that the outlook for those small trading points has much improved during the last two years. Many of the farmers have acted according to the lessons of past experience, and, instead of devoting themselves to the raising of wheat alone, are trying it with other crops, live stock, and dairy farming. Immigration has again set in, and a demand

for land is once more felt. A good beginning has likewise been made in overcoming the most severe drawback to successful farming, the unreliable rain supply, by providing the means of irrigation through the boring of numerous artesian wells, which have given satisfactory results.

The condition of the Yellowstone valley appeared little changed. Few new settlements were to be seen in the three hundred and fifty miles for which the Northern Pacific follows the river, but, according to general testimony, along its tributaries from the south a good deal of land has been taken up for ranches and farms. This is especially the case in the valleys of the Big Horn River and its branches, in consequence of the construction of the Northern Wyoming branch of the Chicago, Burlington and Quincy Railroad, which connects with the Northern Pacific at Billings. This formerly forlorn place seems to have received a new impulse by the second rail connection, and to be the most thriving of the few towns along the Yellowstone. It looks as though the country included formerly in the large Crow Indian Reservation, and now in Carbon County, Montana, is being settled more rapidly than any other part of the State. A large portion of the Indian reservation has been thrown open to settlement, and the new county contains what is definitely known to be one of the great coal fields of the world. Discovered only about a dozen years ago, it already produces not far from half a million tons a year, with every indication that the output will increase much faster in the future. The coal is good for domestic use and steaming. The mines have been a great boon to the Northern Pacific, which draws its supply of fuel for the entire Yellowstone division from this source at rates which are just one-sixth of what coal cost the company when it was necessary to haul it all the way from Lake Superior. Red Lodge, the county seat of Carbon County, where the principal mines are located, is a lively town of about two thousand inhabitants in a most beautiful situation, nearly 6,000 feet above the level of the sea, with a fine view of high mountain ranges.

Livingston, the last town on the Yellowstone, has not made any headway, though it is beautifully located and has a certain advantage as the point of junction of the main line

with the Yellowstone Park branch. If the place had a good hotel, many of the visitors to the Park would no doubt be glad to tarry here either before going into or on coming out of the Park, but as it is, all the travel passes by. The summer flow of sightseers to the geyser region has not gained as much in volume as was expected by the Northern Pacific management. With the season lasting less than three months, neither the half-a-dozen hotels nor the stage lines in the Park can be well run at a profit. But the inducement to the railroad company to continue the venture lies, of course, in the passenger earnings by the main line from this traffic. It is certainly reasonable to expect that with the natural increase of travel between the Eastern and Western and the North Pacific States, the number of those who break the overland journey for the stage trip around the Park will steadily increase. The attractions of this excursion might be very much increased by opening another approach to the Park from the East via the Rocky Fork branch and Red Lodge and through the lofty Absaroka Mountains. It would be entirely practicable and far richer in grand scenery than the Western gateway.

After the all but unbroken deadness of Yellowstone Valley vegetation in midsummer, the transition through the Belt Mountains to the relative freshness of the Upper Missouri Valley is most grateful to the traveller. In that portion of Montana, the earliest settlements in the State sprang up in consequence of the discoveries of the famous placer mines of Virginia City on the Jefferson, which, with the other two of the remarkable trinity of rivers, the Madison and Gallatin, forms the Missouri.

Bozeman, the first place of importance reached, is one of the oldest and handsomest towns and enjoys an attractive situation, with lofty snowclad ranges visible in every direction, and a considerable local trade. When, ten or eleven years ago, an association of Eastern brewers bought a large amount of land from the Northern Pacific in the vicinity for the culture of barley, to which the soil was well adapted, it was hoped that this would bring about a rapid growth of the town. But it has not gained much since then, though a huge brewery near the station proclaims the domain of barley.

The several railroad stations between Bozeman and Logan, where the branch road to Butte leaves the main line, have also become centres around which small towns are struggling for existence with but limited visible success. The settling of Gallatin County, of which Bozeman is the county seat, has indeed not progressed very fast. This is surprising, as it contains more arable land and has a better natural water supply for irrigation than any other county in the State. But as Montana generally holds out only limited promise to agriculturists, it is perhaps not to be wondered at that no great numbers of that class are drawn to it. This is strikingly illustrated by the fact that nearly 87 per cent. of the entire area of the State is still public domain. According to sanguine estimates, one-fifth of the area, or about eighteen million acres, may be irrigated, but this is doubtless an exaggeration, as three-quarters of this amount could not be made available for agriculture without enormous expense. Between three and four millions of acres may be reclaimed from aridity, but at the present rate of progress it will take generations to accomplish it. In this respect Colorado is incomparably ahead of Montana, which will never take high rank among the agricultural States, but remain mainly a grazing and mining country.

The live-stock business in the State about holds its own, but the apprehension is expressed that it will decrease hereafter, owing to the restriction of free pasturing by the establishment of so many private ranches. As regards mining, the production of silver and gold has improved somewhat, and that of copper has received a great impetus by the doubling of the market value of that metal. Millions in wages are distributed, but the great profits go out of the State. Besides the coal fields of Carbon County, others are worked in the Belt Mountains, and the total annual product of the State probably exceeds a million and a half tons.

Between Logan and Helena the country appears to be still very scantily settled. Helena, the capital of the State, has not recovered from the bad plight to which it was reduced by the collapse of the silver-mining industry upon the great decline in the value of the metal. It once could boast of the

most successful national bank between St. Paul and Portland. The disastrous failure of that institution in 1893 proved a crushing blow to the community. The value of real estate has sunk to low figures. The numerous deserted buildings about the Northern Pacific station bear pitiful testimony to the local distress. As Helena has but a limited agricultural population to draw on for support, its prospects seem precarious, unless new mining developments should come to its relief.

In the long stretch between Helena and Spokane very little advance has been made in the last decade. In this sequence of mountain ranges and narrow valleys more growth can, however, hardly be expected, for there is scarcely agricultural land enough to support the present scanty population, but the abundance of timber affords support to man and some business to the railroad. Even Missoula, the only town of any importance between the cities named, has to show but little of the gain in inhabitants and trade which it was supposed the construction of the long and costly branch line to the Cœur d'Alene mining region would bring.

Unfortunately, the mass of the people of Montana still believe fanatically in the sixteen-to-one gospel, and look upon Bryan as their coming saviour. But, as part of their faith, violent hostility to the industrial Trusts animates them also, and they might go so far in it as to accept a modification of the existing tariff.

WASHINGTON AND OREGON.

To an observer of the development of the Western States, Spokane is a pleasure to behold. One need have no hesitation to say that of all the newer cities west of the Mississippi it has risen fastest and most substantially. When I visited the place first in 1881 it was of recent birth, and consisted of a small aggregation of cheap frame structures. The inhabitants had boldly squatted on Indian land, and the object of my visit at that time was to hold a pow-wow with the chiefs of the Spokane tribe regarding the extinction of the Indian

title, which talk actually took place on a wooded spot where now one of the finest business edifices stands. From these small beginnings, in the course of a few years, a city of 30,000 inhabitants with a substantial Eastern character had sprung up, when the great fire of August 4, 1889, swept away in a few hours almost the entire commercial quarter. Upon the ruins arose, in less than three years, that greater and finer city of between 40,000 and 50,000 people which now surprises the newcomer. The wide business streets form compact lines of brick and stone buildings, many of a size and style that would do credit to any city on the Atlantic Coast. They present a picture of activity unequalled in any other Pacific Coast city north of San Francisco. But the residence part of Spokane is even more creditable. It is doubtful if there is a place of the size in the West where so many attractive and commodious homes can be found. The architecture is pleasing, and good taste is shown in the arrangement of the surrounding grounds. The whole appearance of the city speaks of the presence of an intelligent, energetic, prosperous, and public-spirited population.

So much could not have been achieved in so short a time without special local advantages, and in this Spokane has, indeed, been unusually fortunate. The greatest of all is the immense water-power afforded by the splendid falls of the Spokane River, estimated at no less than 75,000 horse-power, within the limits of the city. Of this but about an eighth part is as yet utilized directly and indirectly by transformation into electric energy for the operation of flour mills and other manufactures and of light plants and the whole street-railway system. The unused water power insures larger industrial development. Next, the great agricultural districts, embracing thousands of square miles of some of the richest lands in the country extending to the south and to the west of the city, are bringing steadily growing trade to Spokane. The enterprise of D. C. Corbin, a well-known Western railroad builder (brother of the late Austin Corbin), in giving the place direct connection by a railroad to the Kootenay mining region in southeastern British Columbia, opened another source of great wealth.

The line now forms part of the Great Northern system. The building of this road made good to Spokane many times the loss suffered by the decline in the silver mines of the Cœur d'Alene region. A number of old residents of Spokane were among the first to profit by the discoveries of precious metals in the Kootenay region, and have acquired large fortunes in mining enterprises there. They are giving the city the benefit of their rapidly acquired wealth by the erection of fine business edifices and beautiful private residences. Last, not least, the delightful climate, with its moderate changes of temperature all the year round, must be mentioned. Another helpful influence will come with the impending development of the sugar-beet industry on a large scale within a few miles of the city. But for these several favorable factors Spokane would be getting more slowly over the deep depression which the crises of '93 and '96 produced there in no less degree than in the other cities of Washington and Oregon.

Twenty years ago not a hundred thousand bushels of wheat were produced within the domain of Washington between the Snake and Columbia Rivers and British Columbia, which comprises nearly one-third of the whole area of the State. It is safe to say that the product of that region has now reached twenty millions of bushels. When I organized the Oregon Railway and Navigation Company in the summer of 1879, hardly a million of bushels were raised in the south-east corner of Washington, south of the Snake River, and in the whole of Eastern Oregon, while the annual crop now ranges between twelve and fifteen million bushels, of which four-fifths is grown between the Blue Mountains and the Columbia and Snake Rivers. Other branches of agriculture have also become developed in the eastern parts of the two States.

But no progress like this in the tillage of the soil has taken place in western Washington and western Oregon. In the former, this is due to the very limited area of timberless cultivable land and the great cost of clearing away the very heavy forest growth. The settler will not spend a hundred dollars' worth of labor per acre when he can buy the acre of clear land east of the Cascades at a low price. In western

Oregon there is more fruit-raising, and hop-growing has been introduced. But the old drawbacks still exist in the magnificent Willamette valley, whose extent and fertility ought to make it the seat of varied and profitable model husbandry. The race of the pioneer settlers, mainly from Missouri, who were able to acquire estates of thousands of acres under the donation law of Congress, has not died out yet. In other words, the real evil of too large farms, which the owners from want of energy will cultivate only in part, still exists to a considerable degree. The exclusive wheat crop is also still the rule. There has not been the influx of new population of a more intelligent and active type from which alone a change for the better could be expected. In the other main divisions of western Oregon, the Umpqua and Rogue River valleys, with their more limited areas of tillable land, conditions little better than stagnation have prevailed.

In eastern Washington, outside of Spokane, and in eastern Oregon there are as yet but small beginnings of industry. A number of small flour mills exist in both sections, and a number of quartz stamp mills in Baker County, Oregon. There is practical evidence that mineral wealth exists in Washington east of the Cascade range, both to the east of the Columbia and between it and the mountains north of the Yakima, which better means of communication will render important. Promising prospects have been developed for years in the Colville and Okanogan districts. In eastern Oregon mining operations have been carried on for many years in Baker, Grant, Union, and Malheur Counties, but without any great aggregate results until the present time, when the annual production is claimed to approach several millions in gold. There is certainly much greater activity in those counties than ever before, and a considerable inflow of capital, so that increased yields may be looked for.

In western Washington the abundance of coal and the wealth of timber have proved rich compensations for the agricultural limitations. The mining of precious metals along the western slope of the Cascades seems also to hold out better promise than heretofore. The cheap coal has, however, not yet led to much industrial growth, but promoted transpor-

tation by land and water, and the large export of it to California and western Oregon is bringing a great deal of wage money into the country. The Puget Sound lumber business reached large proportions in a comparatively short time, but has undergone great fluctuations of activity and dullness. Just now the saw and planing-mills are driven to their utmost capacity and get satisfactory prices for their output. The managers of one of the greatest mills said that if they had double the capacity, they could not fill the orders offered. The manufacture of cedar shingles has become a special feature. Less than twelve years ago the Northern Pacific traffic men succeeded in opening an outside market for them. From a few hundred carloads a year the shipment grew to thousands and tens of thousands, and it is expected that the total during the current year will be not less than fifty thousand carloads over the Northern Pacific and Great Northern systems. As owing to the larger cars and the perfect drying of shingles, the improved tracks, and greater motive power, much heavier trainloads are hauled, this traffic yields satisfactory returns. The Washington cedar shingles are not only in demand in the United States, but gaining a market all over the world. The enormous consumption of timber by the many mills around Puget Sound is fast raising the question of the possible scarcity of material, and some of the owners of the larger mills are taking measures of protection by extensive purchases of rights to cut timber and by adopting the policy of cutting out instead of completely cutting down tracts, in order to insure a permanent supply.

Notwithstanding the plenitude of coal at a low price, and the extensive use of wood as a cheap fuel, considerable capital is being invested in water-power plants on several of the mountain streams running from the Cascades into Puget Sound, by which electrical energy is to be produced and transmitted to the cities of Seattle and Tacoma and other points, for lighting, traction, and manufacturing purposes. The large plant at Snoqualmie Falls is about to begin operation. In view of the limited demand for power and the cheapness of coal, these enterprises seem premature and not likely to become lucrative investments.

Western Oregon is practically destitute of coal. Extensive searches made under my direction for that mineral along the western slopes of the Cascades as well as the Coast range brought to light slight veins here and there, but they proved unworkable both as to quantity and quality. A more promising deposit is known to exist on the coast near the mouth of the Nehalem River, but the location presents difficulties of exploitation. This deficiency is, of course, in the way of the building up of local industries, but the present generation still enjoys the advantage of cheap wood for fuel purposes to such a degree that more would spring up than exist if they could be made to pay. As it is, half-a-dozen flour, two large woolen, and a number of saw mills, a paper factory, and shipbuilding yard at Portland constitute the sum of manufactures.

The falls of the Willamette, twenty-six miles from its mouth, have given rise, at Oregon City, to a group of manufactories, a woolen mill long established and turning out blankets of national reputation, and a paper mill which is one of the biggest and finest in the Union. Formerly the power was supplied through races, but now it is furnished from an electrical plant, erected at a cost, it is said, of nearly two millions of dollars, which so far has found a market for only a part of the current produced, although it is transmitted to Portland, sixteen miles distant. The lumber business has not reached the proportions of that of Puget Sound, although the magnificent forests of the Cascade and Coast ranges offer a vast supply of material, but there are signs that greater enterprise will be shown in this respect hereafter.

For well nigh forty years, mining for the precious metals has been carried on in the valleys of southwestern Oregon—that is, at different points along the Umpqua and Rogue Rivers and their tributaries, and about the Klamath Lakes, but it has been confined mostly to placer washing. Veins of ore-bearing rock were discovered, but not successfully worked. Recently very rich quartz veins have been struck, and are expected to lead to the erection of stamp mills. The filling up of the southern counties with a mining population would infuse new life into western Oregon.

It is a singular fact that Washington and Oregon have yet no iron or steel works within their borders. The reason is the lack of workable ores within easy reach. Some deposits exist on some of the islands of Puget Sound and British Columbia, and near Portland, and vain attempts have been made to utilize them, but they were abandoned after the loss of a good deal of money. Thus it was necessary to transport overland all the cast and wrought material used in the construction of the men-of-war in San Francisco Bay and at Portland and Puget Sound ports during the last few years.

In their fisheries, Washington and Oregon possess a great source of wealth, which both the State and National Governments have been systematically fostering for some years, through laws preventing indiscriminate fishing practices, and establishing regular culture of native and foreign species of fish. In Washington waters the catch is already very large, and includes salmon, halibut, cod, and other kinds. In Oregon, salmon fishing along the Columbia represents nearly the whole of the fishing business. It began some thirty years ago, and has been pursued on a large scale ever since. As early as 1876 15,000 tons of canned salmon were shipped from Astoria, at the mouth of the river, to San Francisco, and from then until now the "crop" has varied from 10,000 to over 20,000 tons (thirty-one cases of four dozen one and one-half-pound cans each make a long ton), a season. This notwithstanding the intense competition which the catch in the waters of Washington, British Columbia, and even Alaska, amounting together to nearly 30,000 tons more, has created. Sometimes it seemed as though a decline in the run of the fish had set in, but such fears have always been dispelled by its re-appearance in larger shoals.

Washington and Oregon have both been blessed for several years with large wheat and other crops, which were marketed at good prices. Tens of millions of dollars were thus distributed among their farming population. While this served largely to pay old debts, it must have added much also to the purchasing capacity of the people, and thus benefited all classes. One should think, therefore, that the two States would be in a generally prosperous condition, and that this prosperity would

be reflected in the condition of their great and small commercial centres. This seems to be the case, however, only to a limited extent. Spokane, as shown, has resumed its onward career. Seattle, too, is moving forward again as fast as ever, but Tacoma and Portland still show the scars and the debility caused by the past years of adversity. The small interior towns and the villages of Washington east and west of the Cascades make a better showing than those of Oregon; yet, with hardly any exception, they were stationary or running down for years after 1893, and only a few can even now boast of a resumption of growth. Colfax in the Palouse country, Lewiston on the Snake (in consequence of having at last obtained a railroad connection), and Ellendale on the eastern slope of the Cascades, belong to the latter class.

As regards both western and eastern Oregon it is really not surprising that the small towns and villages have been stationary, and even retrograding, when the small increase in the agricultural production of the State, its main source of wealth, is considered. It would be difficult to name other exceptions than those of Astoria, which has gained some thousands in population, in occupied area, and in trade, and the fast-growing mining town of Baker City. On the other hand, a number could be pointed out which are no longer what they formerly were. There is but one explanation of this state of things: the condition of the farmers of the two States has not been so much improved by the good harvests of the last few years as has been assumed, owing to previous indebtedness, and perhaps the reduction of profits by greater cost of production. This view is entertained by leading merchants in different parts north and south of the Columbia.

Perhaps the worst traces of the destruction of the storm of 1893 anywhere, are to be seen in Washington, on Puget Sound. Its shores are strewn with the wrecks of towns which never had any legitimate title to exist at all, and which owed their rise to wild illusions, crazy speculation, or deliberate confidence games. Among them Port Townsend on the western shore, when approached from the sea, presents a very imposing appearance,

with its many stately buildings, but a walk through the streets reveals a sad state of attenuation in the many empty stores and abandoned private residences. A large, costly hotel was built, but never opened. Everett, on the eastern shore, is a monumental instance of the liability to the costliest mistakes of even the shrewdest and most experienced business men. It was to be pushed to the front rank among the Puget Sound cities by all the power of unlimited capital. It became the terminus of the railroad to the Monte Cristo silver mines, in the Cascade range, which were thought to be among the richest ever discovered. It was to be made a great manufacturing centre, to which the plants for a great ship-building establishment, a big paper-mill, a large smelter, and other industries were sent out and set in operation. A hotel, city hall, and hundreds of buildings were erected and occupied by a few thousand inhabitants, but the fountain-head of expected prosperity, the mines, yielded only unworkable ores, the railroad was twice almost destroyed by floods and repaired at great cost, and finally given up altogether, and gradually the whole scheme proved a failure. Other noteworthy cases were the several "boom" and bubble towns at different points on Anacortes Island, in which speculators' traps thousands of people were caught and lost every cent of their investments. The visitor to the island will find ground all over it for amazement at human greed and folly.

It will be remembered that the silver craze raged violently for a long time in Washington and Oregon. It would seem now that a lasting cure of the majority from this popular disease has been compassed in both States. In Washington the discovery of gold in the Klondike had probably as much to do with the conversion as any other agency. The great stream of the yellow metal flowing in from the north proved a most convincing argument. In Oregon the steadfast advocacy of the gold standard by the late Senator Dolph and other sound Republican leaders, including Senator Simon, but above all the incessant preaching of sound-money doctrines by the "Daily Oregonian," are entitled to credit for the change. But in Washington, there will probably be another heated contest in the next Presidential election, with the chances, however, much in favor of sound money.

It would be difficult to find a public man or a newspaper, either in Washington or Oregon, willing to say a word in defense of the organization of the great industrial Trusts. An universal and bitter outcry is heard against them everywhere, east and west of the Cascades, and it would not be difficult to start a strong movement in the two States against the system of excessive protection by the existing tariff which has led to their organization.

I had the first opportunity of seeing in Oregon what is no doubt the greatest railroad wreck in the United States, the famous, or rather infamous, Oregon-Pacific. This stupendous failure forms one of the most curious chapters in the history of great financial frauds. It reveals a liability to illusions and deceptions on the part of men most prominent as financial leaders in Wall Street twenty years ago that is difficult to comprehend. This is the more puzzling inasmuch as they were fully warned against the swindle, but allowed themselves for years to be bled for millions. I published myself a full exposure of this gigantic confidence game over my signature in 1881, but the victims continued to submit to the plundering. They allowed themselves to be persuaded that, on the shallow Yaquina Bay, on the Oregon coast, a harbor could be made rivalling those of San Francisco and the Puget Sound cities, and suitable as a terminus for a new transcontinental line successfully competing with the existing Pacific Railroads. They took one lot of first-mortgage bonds after another up to a total of \$15,000,000, but in the end found only that they had as security a road of 142 miles, with a limited equipment, beginning on the uninhabited coast and ending in the wilderness on the eastern slope of the Cascades, near the sources of the Santiam. The road has never earned even operating expenses, and was so worthless that at the final foreclosure sale in 1894, it brought only \$100,000, all told, for the road, rolling stock, motive power, and all other appurtenances.

TACOMA.

There is much to be said regarding the two Puget Sound cities, Tacoma and Seattle. To begin with the first named, the city on Commencement Bay was from the start an artificial creation rather than a natural outgrowth of favorable local circumstances. It has a fine harbor, but there are many other good harbors on the Sound, and Tacoma would not have risen but for its selection as the terminus of a great transcontinental railroad line, the Northern Pacific. As such terminus, the railroad company naturally sought to build up the largest possible place to swell its passenger and freight traffic and to derive the profits from its principal ownership of the site. This led to the gradual expenditure of millions in local improvements, which naturally stimulated the growth of the place. The resulting appreciation of real estate brought a large part of this outlay back to the railroad treasury out of town-lot sales. It was taken for granted, too, that the very fact of its being the terminus of the Northern Pacific afforded a sure guarantee that Tacoma would be not only a local business centre, but the focus of the North Pacific coastwise trade, as well as a great *entrepôt* of the commerce between North America and Asia.

Thus the place grew from a mere village in 1879, in which year the Northern Pacific woke from its six years of compulsory inactivity and resumed the construction of the main line, into a city of between 40,000 and 50,000 inhabitants in 1890. It was laid out and provided with public improvements for a much larger population. There was not business enough to warrant such growth, but the continuous inflow of new capital for real-estate investments and building purposes kept up the illusive expectation of uninterrupted progress. At my visit in 1891 the people were still full of confidence, but the panic of 1893 made short work of the artificial fabric and reduced it to the lowest level. Everything collapsed, including the great railroad, and general ruin hung over the community. Five

of the twelve banks failed. Many business houses closed, and most of the surviving ones eked out a profitless existence. Real estate became entirely unsalable. The Tacoma Land Company, the parent of the city, on whose stock large dividends had been paid and which commanded a high premium, could not sell any more lots nor collect deferred payments and rents enough to pay its taxes, so that they remained in default for several years, and its entire property came near being sold for non-payment. The great hotel it undertook to erect stands to-day only two-thirds finished. There are long business streets on which not one in three of the buildings is occupied. Even well improved properties will to-day not bring more than from a quarter to a third of their cost. I can illustrate this depreciation by a practical experience of my own. Against my will I became the owner of a piece of land in the outskirts of the city. I had to take it for a debt at the rate of \$400 an acre. During my recent stay I set out with a real-estate agent to find it and get an estimate of its value. He astonished me by naming \$25 an acre as the highest price it might possibly bring. The street-railway system of the city was sold under foreclosure of a second mortgage of \$1,350,000, subject to a first mortgage of \$85,000. The sale yielded only 5-10 per cent. net to the second-mortgage bondholders. That telling commercial thermometer, the local clearings, likewise disclosed a great dwindling away of general business.

Still, there is visible evidence that some solid substance is left in the urban body. The residence part of the city, inhabited by the better class, contains a great number of attractive, well-kept-up homes, most of the owners of which were able to hold on to them during the hard times. The appearance of this quarter is most creditable, and a distinctive feature of the place, showing fine taste and public spirit, and indicates that there exist excellent social elements. It is well known, indeed, that an unusual percentage of intelligent, cultured families are included in the community, and to their presence the high character of the local educational facilities may be ascribed.

A resurrection of Tacoma began some time ago, and appears to proceed slowly but steadily. The banks once more have

something to do, and the merchants make gains. The local industries, great saw and planing-mills, and others, are again in full blast, and even the smelter, which was started to help the Northern Pacific, but proved for years a losing venture, is in operation again and being enlarged. The railroad company has also increased its working force at the great repair-shops near the city. It is not easy to see, however, where the increase of business is to come from, which is absolutely needed to create new uses for the great number of vacant business places. As Tacoma has but a limited agricultural hinterland, and as the traffic of the neighboring coal-mines, the smelter and saw and planing-mills, consists mainly in transit shipments, the prospect can hardly be considered hopeful unless more local industries are established and a larger outside trade secured. But there is no capital available for the former, and even if there were, the settled policy of the great Eastern manufacturing Trusts against the building up of rival undertakings on the Pacific Coast would prevent it.

As regards an expansion of trade, a line of English steamers has been running to Japan and China under the name of Northern Pacific Steamship Company, for some years. It carries flour from the local mills on the westward, and teas and raw silk on the eastward voyages, but it has not led so far to the establishment of commercial houses on the spot for the Asiatic trade. There is also a large tonnage of wheat shipped direct to England in sailing vessels, which disburses considerable money. Alaska also represents a promising field. A few enterprising citizens are exerting themselves for a share of that northern trade, and it would be well for the city if there were more of the kind. It is said that the people of Tacoma have heretofore relied too much upon the parental care of the Northern Pacific, and did not feel the necessity of self-help as much as did their neighbors of Seattle. As the days of railroad patronage are, however, now substantially over, they will have a chance to demonstrate what mettle they really possess.

SEATTLE.

Nearly twenty years ago the people of Seattle, when they numbered but a few thousand, decided to build the short railroad of twenty miles from the town to the Newcastle coal mine with their own means and labor. Almost the entire population, men, women, and children, turned out for the work, all contributing to it to the best of their ability. The records of Western pioneer life may be searched in vain for a like instance of devoted coöperation for a common purpose. But this enterprise absorbed too much of the local resources and resulted in much embarrassment. It was my good fortune to be able to come to the rescue by the purchase of the coal mine and railroad for the Oregon Improvement Company, whose best properties they have formed to this day.

Ten years ago I availed myself of the hospitality of the Canadian Pacific Company and passed over the whole length of its main line from Montreal to Vancouver, on Puget Sound. On reaching the latter place on June 6, 1889, I learned that a great fire was raging at Seattle. On approaching the next day by boat, I saw vast volumes of smoke overhanging the city. On landing I discovered that the entire business portion, covering sixty-five acres and representing \$15,000,000 worth of property, had been reduced to ashes, and that, as not a green-grocery, not a provision store, not a butcher or baker shop was left standing, the population was threatened with starvation. This was averted by the prompt succor afforded from every direction, but for days thousands were fed at public tables set up in a shaded square and supplied from open-air kitchens. The destruction was so wide-spread and complete that it looked as though a long time would elapse before the great waste space could be filled again. But, nothing daunted, the citizens held a meeting the morning after the fire and resolved to rebuild Seattle, and in even larger proportions. They made good their resolution. Like Spokane, within two years Seattle

had fully risen again in solid forms of brick and stone, more imposing than before.

I mention these two incidents in the history of Seattle as the best illustrations of the character of its people. To their resolute spirit, enthusiastic self-confidence, and untiring energy they owe their extraordinary success, in creating out of nothing a flourishing city of probably between 65,000 and 70,000 inhabitants. The creation is the more remarkable as the location is not a well-chosen one, the steep hills, along whose slopes the business streets run, making development difficult and expensive, and compelling precarious extensions on piles over tide-water flats. I must confess that the continuous growth of Seattle often puzzled me, as it did not seem justified by the resources of the place. Neither the Newcastle nor the other tributary coal mines opened since, nor the adjacent farming settlements and lumber camps, nor the shipping business appeared to furnish sufficient support for so many people. There was also the serious drawback of the constant partiality shown to Tacoma by the old Northern Pacific management. There never was a greater piece of short-sightedness in American railroad management than to leave Seattle without connection with the main line. I corrected the blunder as soon as I controlled the company's policy, but this did not put an end to the local outcry for another direct railroad line to the wheat regions of eastern Washington, and still another to tap the country along the east shore of the Sound to the boundary of British Columbia. The two lines of the Seattle, Lake Shore and Eastern Railroad Company owed their origin to it, but only the latter was completed, while the former remains unfinished. Both were absorbed by the Northern Pacific, whose rivals they were intended to be.

The city grew and grew, and even the crash of 1893 had but a temporary effect. As everywhere else, that year brought serious banking troubles and prostrated domestic and exterior trade, and real-estate values shrunk very badly. The recovery was hastened by two most influential events, viz., the completion of the Great Northern Railroad, the transcontinental competitor of the Northern Pacific, and the breaking out of the Klondike gold excitement, which latter was a most timely smile of fortune, from which Seattle has so far profited more

than any other of the competitive cities. By the accession of the Great Northern, Seattle gained greatly over Tacoma. It became the outlet of two great systems, while the latter remains the terminus of one only. It has also secured the benefit of the great government dry-dock and naval station at Port Orchard on the other side of Elliott Bay, on which the city lies, and of a large government army post, adjoining the city, and comprising a thousand acres. It has, besides, a floating dry-dock and a ship-yard, at which several vessels have been built for the United States government. It is also the seat of the State University, which came near being forced to close at one time, owing to the failure of the Legislature to make appropriations for it, but is now a flourishing institution.

Like Tacoma, Seattle has a steamer line to Japan and China, operated by a Japanese company in connection with the Great Northern Railroad, which carries about the same sort of cargoes as the Tacoma line, with the same limited local benefit. The other shipping business is, however, very considerable and a large Puget Sound and Pacific coastwise fleet of sailboats and steamers is engaged in it. Grain shipping is not large compared with that of Tacoma and Portland. Seattle has ever since the beginning built great hopes on the fact that the large and beautiful Lake Washington lies in its immediate vicinity—the present city limits, indeed, extend to it—and is capable of connection with tide-water by a short canal, which would make the lake the only fresh-water port on the Pacific Ocean, entirely safe from that plague of ships and docks, the teredo. So far, these hopes have not been fulfilled, but they are persistently clung to, and appeals to the government for aid will continue to be made.

Besides a big flour mill, only a number of small industries are found in the place. The reason given for this is the want of level ground owing to the hilly character of the site, already referred to. There is a great extent of tide-flats, amounting to about fifteen hundred acres, directly to the west of the improved part of the city, of which a local company has undertaken the filling to above high-water mark, under the liberal policy adopted by the State to encourage the utilization of tidelands generally within its jurisdiction. The company began operations in 1895, and filled about fifty acres, when it came to

a halt owing to financial difficulties, and has not since been able to resume the work, for which several millions are wanted. It is certain that more level building space is urgently needed for the growth of the business portion, and the enterprise will doubtless be carried out sooner or later.

That a large general business is done in Seattle is proved by the clearings of the banks of the place, which work with a capital of over \$7,000,000. The clearings for eight months in 1899 show a gain of nearly 40 per cent. over last year, and were more than twice as large as those of Tacoma and even larger by \$2,000,000 than those of Portland. The Klondike rush gave rise to a very large business in outfitting the gold-seekers, and in furnishing regular supplies of all kinds to the mining districts. But as rich a harvest as the local merchants gathered in 1897 and 1898 was not again vouchsafed to them last season. There was a steady decline in the Klondike trade last Summer. The reason is that the Dominion merchants and manufacturers have become alive to their opportunity and are shipping goods in bond through Alaska to the Canadian gold region, which method, of course, gives them an advantage over American competition to the extent of the Canadian duty. But the certain increase of mining interests in Alaska will bring compensation for this loss in due time.

Tacoma is far ahead of Seattle in the character of its private residences. In fact no such fine homes are to be found on the heights of Elliott Bay as may be seen by the score in Tacoma. Seattle houses are relatively small, and not only their size but their exterior and the grounds about them reveal an indifference to appearance in striking contrast with the aspect of the rival city. To speak plainly, the residence quarter of Seattle is very shabby, and I could not help repeating the question so often asked in the past: "Why is it that people so pushing and well-to-do care so little for tasteful and commodious homes?"

PORTLAND.

When I saw Portland for the first time twenty-five years ago, it had about 16,000 inhabitants. Even then it was a very attractive place in its beautiful position on rising ground on the left bank of the Willamette, fourteen miles from its junction with the Columbia, commanding a splendid view of the three volcanic snow peaks, Mounts Hood, Adams, and St. Helen's, with its two lively business thoroughfares parallel to the river, followed to the base of wooded hills by well-shaded residence streets, along which pleasant houses, suited to all circumstances, were to be seen. The town had grown up to what it was then by the considerable trade with the long-settled Willamette valley and the limited settlements of the Walla Walla region and eastern Oregon. It had only scanty connections with the rest of the world. There was the stage line over the 275 miles separating the terminus of the Oregon and California Railroad at Roseburg from that of the California and Oregon at Redding in northern California. Then there was the line of small, old, and decaying wooden steamers, partly paddle, partly screw, sailing for San Francisco but once a week, and often not more than twice a month, and even less in the Winter, and the sailing craft which carried the wheat surplus of the state through the Straits of Magellan to Liverpool. The inhabitants, however, were doing well and seemed comfortable and contented.

When I visited Portland in October, 1891, it claimed between 80,000 and 90,000 inhabitants, who had filled the site up to the hills and even flowed over the Willamette and built up East Portland and other suburbs to considerable size. The place had become a very important railroad centre, having direct connection with Tacoma, Seattle, and San Francisco, and the residents being able to travel and ship over three transcontinental lines, viz., over the Northern Pacific direct and over the Great Northern and Union Pacific, via the Ore-

gon Railroad and Navigation Company. Its domestic and export trade had correspondingly increased, and much wealth had been gathered, as evidenced by the great improvements in the business and residence quarters, and especially by the number of imposing public buildings. Everybody felt the greatest confidence in the future of the city. Real-estate values had reached a height that nobody had dreamed of twenty years before, and some confident friends predicted boldly that by the close of the century Portland would count far more than a hundred thousand inhabitants. It was not surprising, therefore, that in this hopeful frame of the public mind the Chamber of Commerce was unwilling to listen to predictions, such as I made, of the financial and commercial crash of 1893 as the inevitable consequence of the congressional silver legislation.

The catastrophe set in and found the Portland community as little prepared for it as the American people generally. The volume of general business fell fast to the point of stagnation. Commercial houses failed, banks and savings-institutions collapsed, street-railway companies and other corporations passed into the hands of receivers, real estate became unsalable, unrented space in business buildings multiplied, and universal embarrassment and distress set in. Between the crises of 1893 and 1896 a great further calamity came upon the city in the terrible flood of 1894, when the usual summer rise of the Willamette reached an unprecedented stage, inundated the principal business streets, and compelled the evacuation of lower floors for weeks. All this inflicted serious losses upon all classes of the population. There were a score of very wealthy men in the city before that calamitous period, but there are said to be only a few left now. There was a joint note given by fifteen business men to raise the large balance needed to complete the Chamber of Commerce building. They were all considered worth many times their share of the liability at the time, but I was told that only three could make it good after the crash came, all the rest having become insolvent. The chief source of suffering seems to be the depreciation of real estate. Too many people are "land-poor." Business only partially returned to the

two flooded streets next to the river, and they wear a deserted aspect for many blocks. It seems doubtful whether they will ever regain their former activity.

Nevertheless, plain marks of reanimation are observable in Portland since 1897. The clearings of the banks do not disclose any improvement, but both wholesale and retail merchants feel encouraged by larger sales and better collections. The railroads, too, carry more passengers and goods. The famous hotel, The Portland, the principal one on the coast north of San Francisco, is constantly filled to overflowing. The export trade in wheat, salmon, and flour has held its own right along, but real estate continues in a sluggish condition, although building operations are resumed on a small scale.

While the sentiment in business circles as to the future of Portland is generally hopeful, as at Tacoma, I also found desponding views prevailing to some extent. These appeared to be due mainly to the diminution of local capital, the steady narrowing of the commercial "sphere of influence" of Portland by the inroads of Spokane and Seattle upon it in the state of Washington, the failure of the local efforts to obtain a satisfactory share of the Klondike trade, and, lastly, the completion of a railroad along the Columbia River to Astoria, which threatens a transfer of the export trade from Portland to the rival towns at the mouth of the Columbia River. The absolute commercial supremacy of the North Pacific Coast trade, which Portland held up to the completion of the Northern Pacific, through the enterprise and financial strength of its two leading banks and largest wholesale houses, has passed away, and, instead of the former undisputed sway, the necessity for a strife with its rivals for the prizes of trade has existed for years.

But energy and enterprise made Spokane and Seattle what they are to-day, and a fair field is open to Portland in Washington and Oregon, the purchasing power of whose population has surely not decreased, and in this age of intense competition upon every field of human activity the city must not expect to be exempted from the operation of the merciless law of the survival of the fittest. As to the diminution of local capital, judging from the run of deposits in the principal

banks, it is being made up fast enough, and, if there should be any lack of money for legitimate local enterprises, the high credit which those institutions command and the abundance of investment-seeking capital throughout the Union would make it easy to attract what was wanted from our financial centres. As to the Klondike trade, that is largely passing away, as explained in connection with Seattle, but it should be possible for Portland to draw profit from the exploitation of the vast resources of Alaska. While the starting of new manufacture is doubtless as difficult in Portland as in other Western cities, why should there not be, for instance, a large smelter on the Willamette as well as at Tacoma, where it is fed mainly with Alaskan ores? As to the bugbear of the passing of the shipping business, I cannot see that the new railroad to Astoria will change the situation. For the grain export trade would pass by Portland only if the railroads centering there made it and Astoria and the other towns at the mouth of the Columbia common points, and this would mean nothing less than the sacrifice of millions of revenue, which none of them can afford to make.

ALASKA.

I.

In April, 1876, I sailed from San Francisco, on the old paddle-wheel steamship John L. Stephens, for Portland, Ore., where I was to assume control as President of the properties of the Oregon Steamship Company. On reaching the mouth of the Columbia River, we saw a little screw steamer of 300 tons register dancing up and down on the agitated sea. It proved to be the Gussie Telfair, belonging to the company, on her way from Alaska to Portland, but detained outside by the rough sea on the bar. She brought down from the

recently acquired American possession three passengers, a score of tons of miscellaneous freight, and a letter-bag with less than thirty letters. The United States government, having established some civil authorities and a military post at Sitka, was in duty bound to maintain communication with its representatives and troops, and the steamship company had reluctantly undertaken to perform a mail contract requiring it to make monthly trips to the point named. The passenger and freight traffic was too insignificant to make the route a profitable one. The trifling load described was about equal to the average one for a trip one way, and the business of the year aggregated only a few hundred passengers and not exceeding 700 tons of other than government freight.

That represented practically the total of the Alaska trade in those days, and it grew very slowly, as no white settlements were made, with the exception of a few trading posts and fisheries and the opening on a small scale of two or three mines. But it has greatly developed within a decade. During the last and the present seasons fifteen steamers, ranging from 2,700 down to a few hundred tons capacity, carried tens of thousands of passengers and freight aggregating not far from a hundred thousand tons to and from Alaska. If William H. Seward, the originator of the deal with Russia for Alaska, and Charles Sumner, its godfather and principal defender in the United States Senate, were alive to-day, they would have unstinted encomiums heaped upon them for that bargain, instead of the scepticism, sarcasm, and denunciation of thirty years ago. Eighty per cent. of the increase in the trade was gained in the last three years, and must be ascribed, to be sure, to the rush to the Klondike gold-fields, but no one who knows Alaska will dispute the proposition that it is one of the most attractive and most valuable acquisitions of territory ever made by the United States.

As the western part of British Columbia intervenes between the State of Washington and Alaska, the American railroad termini on Puget Sound are over six hundred miles from the southern boundary of the latter. Only two regular routes for travel and shipment to the interior of Alaska have

so far been developed, both, of course, entirely by water. One is by the outside open ocean passage to the roadstead of St. Michael's near the many mouths of the Yukon and thence up the river; the other by the inside passage between the mainland and the successive groups of islands interposed between it and the sea. The former is by far the longest, the distance from San Francisco to St. Michael being 2,500 nautical miles, and from Puget Sound ports over 1,800, besides the distance up the Yukon, with its difficult navigation, while from Puget Sound it is less than 700 miles to the first landing in Alaska. The latter is also incomparably the more interesting route, and therefore taken far oftener by the traveling public.

The first excursion party, numbering eighty, including Gen. Miles, then in command on the Pacific Coast, and a military band, went over the coastwise route, under my administration, on the steamship Idaho in 1881. Now thousands of pleasure travellers enjoy it every season. The largest and best steamers upon the coastwise route are those of the Pacific Coast Company, formerly the Oregon Improvement Company. The principal ones run upon it only during the tourist season, which may be said to last four to five months, from May into September. They sail every fortnight, taking up passengers at Tacoma, Seattle, and Victoria, and, as they are not very fast, make the round trip in from ten to twelve days. From the time of leaving till the return to Victoria, the tourists are cut off from all communication with any part of the world, but they are surprised at the ease with which they get reconciled to this deprivation of what they considered essentials of life, and at the restful effect of doing without them for a time.

The programme is so arranged that there is ample time for sightseeing at the principal landings, and, as all the steamers carry freight and discharge and load at these points, the stoppages at several of them are, in fact, too long. Some delays are also unavoidable from the ebb and rise of the tide, which reaches variations of nearly thirty feet at the northern end of the route. While the steamers employed are perhaps good enough for the present requirements of the service, it is evident from the increase in the number of round-trip

passengers during the last few seasons that it is not too early to provide a different class of ships, better adapted to the peculiar traffic. The most commodious of the steamers now running and the one most patronized by the public is the *Queen*, which was built in the East under my administration, and on which I made the tour of Puget Sound with the company's guests, on the opening of the Northern Pacific in 1883. I was a passenger on her this year and found her machinery improved and her speed increased, but her draught was too deep and her passenger accommodations were not up to modern standards. She carried altogether too many passengers for comfort. It may be still well enough to stick to the old method of having three berths over each other in most of the staterooms for the short voyages from San Francisco to Portland and Puget Sound, but when trips are three and four times as long the antiquated arrangement becomes very trying. Then the necessity, from the overcrowding, of setting the table several times at each meal involves poor cooking, bad service, and general slovenliness. Among the passengers were refined and wealthy people from all parts of the United States, showing that the tour already largely attracts a class able and willing to pay for the best accommodations. When the Portland-San Francisco line of the old Oregon Railway and Navigation Company was equipped with such fine new steamers as the *Oregon*, *Columbia*, and others, a good many people thought that they were far ahead of the demands of the traffic, but these ships only illustrated the old truth that improved facilities increase travel, and proved none too large. Similarly it would seem that if three or four fast new steamers of the proper size and draught, with all the modern comforts for passengers, and with a speed of not under eighteen knots, were put on the route it would result in an immediate and large gain of travel. Such steamers could easily make the present round trip in from five to six days, and thereby either save much time or use it to extend the tour so as to include in the programme more of the all but inexhaustible natural attractions of Alaska.

It may be said without exaggeration that no other part of the earth known to man surpasses Alaska in imposing and

beautiful scenery. The most travelled of those who behold the extent and variety of its scenic magnificence and whose souls are open to such appeals of nature will readily admit that they have never seen the like of it, and that nothing they ever saw impressed them so deeply. They will be struck first with the vastness and wildness of the region traversed. Imagine 600,000 square miles of wilderness, of which probably less than a twentieth part has as yet been trodden by human beings. The merest specks of white and aboriginal settlements exist on the shores and river banks, aggregating a few thousands in population. Hundreds of miles of shore line are passed without discovering any sign of life but the water fowl and the numerous bald-headed eagles perching on tree-tops. The contemplation of the solemn solitude of this great primeval realm is truly awe-inspiring.

One of the unique features of Alaska is its remarkable system of natural connected waterways, of sounds, bays, and estuaries, channels, canals, straits, and narrows, ranging in length and width from less than one to hundreds of miles, with but few direct openings into the ocean, and forming an unbroken line of navigation all the distance from Puget Sound along the coast of British Columbia to the great Alaskan peninsula, stretching far out towards Asia into the North Pacific. The steamer winds its way through one archipelago after another. The one named after the Emperor Alexander is remarkable for its extension through four degrees of latitude and its mass of 1,100 islands, ranging in area from thousands of square miles to small protuberances, with varying surfaces of great height and low level. The passage along this chain of watercourses is generally safe and smooth, but the fluctuations of the tide produce in some of the straits and narrows strong currents requiring careful navigation, and at a few points delay for high water to avoid dangerous rocks, against which a number of vessels have already been wrecked.

Most captivating of all, however, are the enchanting shore views unfolded, with unceasing change, before the amazed tourist from the beginning to the end of the voyage. The immediate contours of the landscape are formed by tiers of

comely hills, rising from the water's edge, all densely clad from top to bottom in the sombreness of Northern evergreens. At more or less distance behind and high above them towers everywhere a mighty background of ranges of much loftier mountains, reaching Alpine heights as huge pyramids, sharp peaks, stupendous walls, and gigantic humps, or as long unbroken crests, all more or less capped and ribbed with snow and ice. The perennial verdure of the foreground contrasts startlingly with the desolation of the great ramparts behind, and the whole forms, with the frequent silver bands and threads of waterfalls descending from the heights to the sea, an indescribable picture of singular loveliness and commanding majesty. The mountainous shores, too, open ever and anon into picturesque hill-bound inlets of varying width and indiscernible length, very much like the fjords of Norway.

But the most remarkable revelations of the tour are the "frozen waves," the enormous masses of moving ice, the glaciers, that show their dread countenances in great numbers at the heads of the inlets or hang on the crowns and sides of the snow mountains or fill the gorges between them. A score or more of enormous glaciers, with ice-crusts hundreds of feet thick and stretching back from a few to scores of miles and their bases washed by the sea, may be plainly seen. Among them Muir Glacier in Glacier Bay in the shadow of the Fairweather range, with its lofty summits from 11,000 to 16,000 feet high, forms the climax of the trip as the greatest Arctic wonder. More than three thousand ice-fields, a number of them even larger than the Muir, are said to have been counted from the shores and river banks, and nobody knows how many more may be extant in the unexplored interior.

Such are, briefly sketched, the extraordinary scenic fascinations which the tourists to Alaska enjoy in the fullest measure, and which, I repeat without hesitation, are unsurpassed anywhere on our globe. I feel confident, too, that the time will come within the next generation when the Alaska route will be the most frequented in the world, and when the Alaskan coast will swarm with private yachts, as is now the case in Maine, Scotland, and Norway during the Summer months.

II.

It is now a great drawback that there is not yet a good public house to be found anywhere in Alaska, and breaks in the journey are, therefore, out of the question. If suitable stopping-places and facilities for side trips were provided for sojourners, many would doubtless take advantage of them. Norway affords a good example for imitation in this respect. This would also be a means of opening the rare opportunities in Alaska for fishing and hunting to sportsmen. Alaska is not only a joyful Mecca for the travelling public, but a land of promise generally. At the time of its acquisition the prevailing ignorance of its resources and the fact that it came from Russia to us led to a popular misconception of its physical characteristics, and it came to be looked upon as an irredeemable boreal region, a counterpart to the worst part of Siberia, and entirely unfit for settlement by Anglo-Americans. This wrong impression has slowly changed to a better understanding of its real features. The Klondike rush has made very effective propaganda for Alaska. It compelled the press to seek and print information, and led to the publication of a number of descriptive books regarding it. But while much light has thus been diffused, it remains true that our stock of actual knowledge concerning Alaska is still very limited.

Though deliberately taken into her parental fold and for a large consideration to boot, Columbia has treated her last adoption very much like a stepchild. The Federal government has so far made but limited efforts to ascertain and publish the actual value of its new possession to the American people, and what the inducements offered in that field to corporate and individual enterprises, up to within the last few years. The climatic relations of small parts of Alaska have been regularly observed, but little has been done to find out the extent of the land fit for cultivation, and no systematic geological exploration was undertaken. Nor is it long since the Government began formal examinations into the timber resources of Alaska. It was left to private ventures to demonstrate that Alaskan waters teemed with useful fish, and that

her mountains, valleys, and plains contained precious mineral resources.

Still, sufficient evidence is now available to establish beyond dispute certain facts regarding the best-known part, southeastern Alaska, with the scanty settlements of whites and aborigines along the coast. The climate is even milder, though also more humid, owing to the near flow of the warm Japanese current, than that of the corresponding latitudes of Europe, that is, Scotland, southern Norway and Sweden, and central Russia between St. Petersburg and Moscow. While but a limited area of tillable land has so far been found and utilized along the watercourses, owing to the almost invariably abrupt steepness of the shores and banks—probably not a thousand acres are under cultivation—the soil is deep and very productive of vegetables, root crops, and the hardier cereals. The natural vegetation is luxuriant, and grows up in the spring and summer with remarkable rapidity. The abundance of nutritious wild grasses seems to indicate special opportunities for pastoral pursuits. The variety and quantity of palatable wild fruit everywhere are astonishing. Not much is as yet known of the agricultural capacity of the country back of the great mountain ranges, but the favorable reports made by the government expeditions into the valleys of the Copper, Tannah, and Sushitna Rivers and their tributaries are very encouraging in this respect. As to the quality of the timber in the vast forests, the United States timber agent, who has been exploring there for several seasons, states that there was abundance of the finest cedar, spruce, and hemlock in southeastern Alaska.

There are dozens of fisheries already in operation at different points, and their experience shows that there are unfailing runs of salmon, halibut, cod, herring, and other commercial species. The mineral resources seem no less abundant. Alaska will make a great record according to all present indications. Veins of coal have been discovered at various points on the coast, but with the ample supply of good and cheap coal from Puget Sound mines, it would hardly pay to work them. Fine building stone abounds, and great finds of marble are reported. As a mining country Alaska is sure to command more and more attention. I do not refer to the Klondike gold

fields, but to the prospect within the boundaries of the territory proper, which, according to all indications, will yield largely in gold, silver, and copper. During the present year a new placer region was found by prospectors in the extreme north-western part that, according to published testimony, bids fair to turn out richer than the Klondike district and the Atlin district in British Columbia; the richest, indeed, ever discovered anywhere. It has become popularly known as the Cape Nome country and is described as extending along the shores of Norton Sound in the northeastern part of Behring Sea between the 161st and 165th degrees of longitude and 63rd and 65th degrees of latitude, about the same as the Klondike, and all the rivers and creeks flowing into it. Curiously, the very beach sand and gravel around the Bay are said to be auriferous.

But independent of these alluvial gold resources, what with the other mines already regularly worked and the discoveries constantly being made in half-a-dozen districts on the coast, Alaska is likely to prove as full of the three metals as any State in the Union. The Juneau district affords the most telling testimony in this regard. Its annual product is claimed to reach already over six millions. The principal producer is the famous Treadwell mine on Douglas Island. Its technical evolution is a most creditable monument to the intelligence and perseverance of its owners and managers. Think of crushing and separating-works running 800 stamps (including the Alaskan gold mine controlled by the same owners)—no mining mill in the world has a greater number—with an annual capacity of nearly seven hundred thousand tons of rock, blasted from a mountain only a few hundred feet away, and yielding on an average only \$2.60 per ton, which low product illustrates most significantly the progress of the mining art in the present generation.

For the rest, as in all gold regions, it will take not only pluck and patience to develop the treasures of the Alaskan mountains, but also capital and a good deal of it. With such results as those of the Treadwell, however, the latter will, no doubt, be forthcoming, especially as in some directions mining will be carried on in Alaska under special advantages. For there

Nature furnishes an easy solution of the transportation problem, which elsewhere often presents insuperable obstacles to successful mining. The location of the deposits is usually in the immediate vicinity of navigable water, so that the shipment of ore involves only small difficulty and expense. Thus, at the Treadwell, the steamers which bring coal and carry away the "concentrates" lie at a pier on a level with and only an eighth of a mile from the stamp-mills, which again are at the foot of and at no greater distance from the quarry which supplies the rock. Numerous waterfalls likewise insure abundance of cheap power throughout Alaska.

The agricultural capacity of Alaska is, as explained, as yet not a sure factor in its future development. But even if the country should bring disappointment in this respect, it should not hinder the successful pursuit of lumber, fishing, and mining industries. For the cheap communication by water with the great agricultural States of Washington and Oregon will always enable the inhabitants of Alaska to supply all their food wants at reasonable prices.

Not counting the floating population of miners and fishermen and lumbermen, which stays in Alaska only from Spring till early Fall, or the various tribes of Indians, which are estimated to aggregate between 40,000 and 50,000, the actual white residents probably do not exceed ten thousand. Nor is it surprising that the number is not yet greater. The principal reason is without question that in consequence of the indifference of the Federal executive authorities and of Congress, Alaska is left to this day without a form of government affording such protection to persons and property as Anglo-Americans require for the safe pursuit of business enterprises. Alaska is a dependency of the Federal government not like the organized territories with regular executive, judiciary, and legislative branches of government, but like that of the District of Columbia; under the direct control of Congress and without any voice of the people in the choice of its rulers. The government consists of a Governor with hardly any functions, one Federal district judge with the usual court officers, a Surveyor-General, a Custom and Revenue Collector, all located at Sitka, and four United States Commissioners stationed at as many different points. But there is really neither

general nor district nor municipal government anywhere in the Territory so far. It is not too much to say, indeed, that actual anarchy prevails.

A singular anomaly is shown in the existing laws. They are the general laws of the United States and those of the State of Oregon, which the Federal Legislature in its wisdom decreed to be in force, although the Territory of Washington and British Columbia lay between, probably simply because it was the statutory law of the nearest State. The Governor's official limitations may be judged from the fact that there is not a single organized county or district and not a single officer subject to his authority except his immediate assistants. There are no secure land titles, inasmuch as the act of Congress of March, 1895, extending the homestead act to Alaska, provides that titles shall become effective only when the United States survey shall extend over them, which is about as uncertain as when the first railroad will be built from Puget Sound to the Klondike. The Federal judge deals chiefly with criminal cases. There is nothing like the extent of his circuit anywhere else in the English-speaking world. All he and his court officers can do is to make about one round in the course of a year. He and his cortège came up from Juneau with us bound for St. Michael by way of Skaguay, White Pass, Dawson, and down the Yukon, a total distance of about 4,000 miles, and from Lake Bennett nearly all the way by slow lake and river boats. In short, a condition still prevails in Alaska which is little better than anarchy, and as long as it continues, people will naturally hesitate to make permanent investments there. As a number of United States Senators and Congressmen were made acquainted with this unsatisfactory situation during their personal visits to Alaska this Summer, it may be hoped that Congress will at last be induced to provide for its urgent wants.

III.

It would probably be thought strange if I closed this series of articles without some references to the Klondike. There

was a disposition on the part of Americans, due to the preponderance of their countrymen in the rush there, to look upon the new gold fields as a sort of joint tenure between them and the Canadians. This illusion has been rudely dispelled. The Klondike and adjacent Canadian districts, notwithstanding the overwhelming influx of Americans into them in 1897 and 1898, are now and will remain as much beyond American control as those of South Africa and Australia; and the sooner this is fully realized the better. The fact is at once brought home to the newcomer on reaching Skaguay, the head of navigation on the Lynn Canal, by the sight of the red coats of the Dominion police and of the uniforms of the Canadian custom-house officers. These representatives of the Dominion government are stationed there for the convenience of the inbound Klondike traffic, so as to avoid the examination of luggage and goods during the transit to Dawson. The same living reminders of foreign authority are, however, also visible at Summit station, thirty-three miles cut from Skaguay on the narrow-gauge railroad, built this year to Lake Bennett, where the star-spangled banner, planted on a knoll beside a British flag, marks the frontier line observed by the mutual forbearance of the two powers till the settlement of the boundary dispute. These symbols proclaim the formal erection of the international barrier which, but for the discovery of the Klondike, nobody would have ever thought of raising.

A further decided assertion of sovereign control was the passage of the alien-exclusion act by the Legislature of British Columbia in February last, forbidding the further issue of mining licenses to American citizens within its limits. The effect of these two measures is greatly to reduce the value of the Klondike gold fields to Americans. For the Canadian merchants and manufacturers can ship their goods to the Klondike in bond without liability to duty, and are thus favored to the extent of the customs charges in their competition with American rivals. The effect of this difference was not felt in the first rush before the customs line was established, and in 1897 American traders, owing to the nearness of the shipping centres on Puget Sound, had almost a monopoly of the business. But the next season the Canadians appeared

in the field as competitors, and since then there has been a rapid falling off in the quantity of American goods shipped in. I was told by the agent of the steamship lines at Skaguay that, while at first the American proportion of the importations was fully 90 per cent., there was a decline to under 25 per cent. during the past season, and it was even thought that next year it would fall to 10 per cent.

The withdrawal of prospecting and mining privileges from Americans by British Columbia does not affect their relations in the Klondike district proper, which lies in the Northwest Territory, but in the more recently discovered Atlin placer mines to the south of the former. The alien act recognizes rights acquired before its passage, but is otherwise distinctly aggressive and provocative. It has naturally greatly angered the American Pacific Coast public. The protest addressed to President McKinley by American prospectors will be remembered, and it may be considered certain that some of the recent congressional visitors to Alaska will bring on a discussion of the subject in both houses. The policy of British Columbia does not follow the liberal precedent set in South Africa. It was adopted, no doubt, from fear that the growing numerical preponderance of Americans would produce the same difficulties that the "outlanders" have created in the Transvaal. There is some hope that the exclusion act will be repealed this Winter.

Whether the Klondike and adjacent districts will only temporarily or permanently contribute, and in what degree, to the stock of gold of the world, remains an open question which may not be solved for years. Should their golden glory be transient, the troublesome boundary dispute will naturally pass away with it. As the original sources of the prolific deposits so far exploited, the mother veins, have not yet been found, there is still only placer mining, with the usual uncertainty as to the duration and amount of the yield. It is difficult to get at the exact truth regarding the current gold product, but it seems safe to say that while the yield during the season of 1899 will not be as large as that of 1898, it will yet reach \$10,000,000. Well-informed persons who handle the bulk of the "gold crop" believe that the annual turn-out

will not be less for at least some years to come. Regarding the apparently larger number of outgoing than incoming people, they contend that it is simply a sign of the disappearance of the disappointed and worthless gold-seeking chaff, whose exodus is rather a gain than a loss to the remaining real working population.

As the case now lies, no international complications should arise from it, as, on the one side, the United States are content with the territorial limits now observed, and as, on the other side, the Canadians have control of the trade and the gold production as a source of revenue under the high 10 per cent. tax. It seems further that the rôles of the contending powers might be reversed to our advantage—that is, the Americans are in more need of concessions from the Canadians than the latter are from the Americans. It certainly would be a boon to our citizens to be readmitted to the exercise of free mining privileges in British Columbia, and to competition for the general trade with the gold districts on equal terms with the Canadians by a reciprocal treaty, and, for such benefits, they could well afford to yield some adequate counter-considerations.

One thing was definitely settled during 1899, viz., the supremacy of the Skaguay and the lakes route to Dawson over that by ocean to St. Michael and up the Yukon. The time from and to Puget Sound ports over the former has been reduced to from ten or twelve days, while the infrequent departures to and from St. Michael, and the uncertainties of the trip up and down the Yukon, require for the latter from four to six weeks. The shorter route, imperfect as it is, is thus likely to secure a substantial monopoly of the traffic with the gold districts. The railroad, as already mentioned, extends from Skaguay through the White Pass (the horrors of which in the early part of the rush were greatly exaggerated) for only forty-two miles to Lake Bennett, whence there is steamboat navigation through to Dawson, with the exception of one short tramway portage at the so-called White Horse Rapids.

The English owners of the railroad have a very expensive piece of property. Much of the construction was done dur-

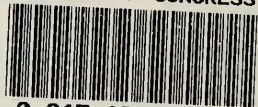
ing the Winter, in a very costly struggle with snow and ice and the natural difficulties of the ground. The total cost, including equipment, is said to have reached the almost incredible figure of \$4,000,000, or nearly \$100,000 a mile. But the earnings during the past season were so large that the stockholders feel encouraged to expend more capital in construction. The company has so far been able to enforce what is probably the highest railroad tariff in the world. When the line was opened for a distance of thirty-five miles, the rates were \$20, or nearly 60 cents a mile, for passengers, and \$120, or about \$3.50 a ton a mile, for freight. But this freight charge was considered moderate compared with the dollar-a-pound rate to Dawson which carriers exacted in 1897 and 1898. For some months the passenger rate has been reduced to \$10, or about 25 cents a mile, and the freight rate to \$60, or about \$1.50 a ton a mile, to Lake Bennett. The gross receipts from the forty-two miles during the Summer months are believed to have been considerably over \$20,000 a mile, with probably not more than 25 per cent. operating expenses. What line in the United States or anywhere can beat this? The earnings will drop, however, to a very low point as soon as navigation by the lakes to Dawson is stopped by freezing weather. The company will put in at once another rail link in the route to Dawson by building from Bennett City to the Tahkheend River, a distance of a little over eighty miles, to be finished by June 1, 1900.

The United States government has been engaged in locating and constructing a wagon road and trail from Valdes Inlet on Prince William Sound, some 500 miles almost due west of Skaguay, to Copper River, and over the range of which Mount Wrangel, believed to be over 20,000 feet, is the highest peak. It is intended to extend the road to the Yukon, near Dawson, an estimated distance of about 400 miles, whence navigation to its mouth is comparatively good. The work is in charge of Capt. Abercrombie, who led exploring expeditions as early as 1884, and again in 1898. He is said to have overcome the greatest difficulties of the route in completing the first ninety miles of a trail four feet wide during the past season. Unless good mines are found along the

road, however, regarding which his explorations last year developed nothing definite, it is difficult to understand the object of this undertaking, as so long a land route is not likely to be used in preference to the Skaguay-Dawson rail and water route. The only perceptible advantage will be that the road will lie wholly within American territory.



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